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Signed and Filed: January 25, 2021

DENNIS MONTALI
U.S. Bankruptcy Judge

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16 UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
17 SAN FRANCISCO

18 **In re:**

19 **PG&E CORPORATION,**

20 **- and -**

22 **PACIFIC GAS AND ELECTRIC
COMPANY,**

23 **Debtors.**

24 Affects PG&E Corporation
25 Affects Pacific Gas and Electric Company
26 Affects both Debtors

Case Nos. 19-30088 (DM) (Lead Case)
(Jointly Administered)

27 **ORDER APPROVING SECURITIES
ADR AND RELATED PROCEDURES
FOR RESOLVING SUBORDINATED
SECURITIES CLAIMS**

28 *All papers shall be filed in the Lead Case, No.
19-30088 (DM).

1 Upon the motion, dated September 1, 2020 (the “**Motion**”),¹ of PG&E Corporation and
2 Pacific Gas and Electric Company, as debtors and reorganized debtors (together, the “**Debtors**” or,
3 as reorganized pursuant to the Plan, the “**Reorganized Debtors**”) in the above-captioned chapter 11
4 cases (the “**Chapter 11 Cases**”), pursuant to section 105(a) of title 11 of the United States Code (the
5 “**Bankruptcy Code**”), for entry of an order:

6 (a) approving the procedures, attached hereto as **Exhibit A-1** (the “**Securities Claim
Information Procedures**”), requiring Subordinated Securities Claimants to submit
7 to the Reorganized Debtors the trading data information with respect to the
8 Subordinated Securities Claims necessary to allow the Reorganized Debtors to
evaluate the individual Subordinated Securities Claims;

9 (b) approving the procedures, attached hereto as **Exhibit A-2** (the “**Securities ADR
Procedures**”), for facilitating the potential settlement of Subordinated Securities
10 Claims, including, without limitation, (i) procedures to allow the Reorganized
11 Debtors and the Subordinated Securities Claimants to exchange settlement offers,
12 and (ii) procedures for both standard and abbreviated mandatory non-binding
13 mediation of Subordinated Securities Claims, including, without limitation,
14 approving the form of Abbreviated Mediation Notice and Standard Mediation
15 Notice; and

16 (c) approving the procedures, attached hereto as **Exhibit A-3** (the “**Securities
Omnibus Objection Procedures**,” and, together with the Securities Claims
17 Information Procedures and the Securities Omnibus Objection Procedures, the
18 “**Securities Claims Procedures**”), to allow the Reorganized Debtors to file
19 objections, on an omnibus basis, to Subordinated Securities Claims that are not
20 otherwise settled and/or are procedurally defective;

21 and consideration of the Motion and the requested relief being a core proceeding pursuant to 28
22 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and
23 1409; and a hearing having been held on the Motion (the “**Hearing**”); and the Court having found
24 and determined that notice of the Motion as provided to the parties listed therein is reasonable and
25 sufficient, and it appearing that no other or further notice need be provided; and this Court having
26 reviewed the Motion, the Keable Declaration, and the Radetich Declaration submitted in support

27 ¹ Capitalized terms used but not herein defined have the meanings ascribed to such terms in the
Motion or the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization
Dated June 19, 2020* [Dkt. No. 8048] (as it may be amended, modified, or supplemented and
28 together with any exhibits or schedules thereto, the “**Plan**”), as applicable.

1 thereof, as well as the objections to the Motion filed by the Public Employees Retirement
2 Association of New Mexico (“**PERA**”) [Dkt. No. 9189] (the “**PERA Objection**”), Chevron Master
3 Pension Trust and Chevron UK Pension Plan (“**Chevron**”) [Dkt. No. 9190] (the “**Chevron**
4 **Objection**,” and together with the PERA Objection, the “**Objections**”), and the joinders thereto
5 [Dkt. Nos. 9191–9201, 9207–9211, 9213–9214, 9216, 9218–9220, 9225–9230, 9233–9244, 9252]
6 (the “**Joinders**,” and the entities that filed the Joinders, collectively with PERA and Chevron, the
7 “**Objectors**”); and this Court having determined that the legal and factual bases set forth in the
8 Motion establish just cause for the relief granted herein; and it appearing that the relief requested in
9 the Motion is in the best interests of the Debtors, their estates, creditors, shareholders, and all
10 parties in interest; and upon all of the proceedings had before this Court and after due deliberation
11 and sufficient cause appearing therefor,

12 **IT IS HEREBY ORDERED THAT:**

13 1. The Motion is granted as provided herein, and any remaining Objections are
14 overruled to the extent not otherwise resolved or withdrawn prior to the Hearing.

15 2. The Securities Claim Information Procedures attached hereto as **Exhibit A-1** are
16 approved, and the Reorganized Debtors are authorized to implement the Securities Claim
17 Information Procedures as set forth therein.

18 3. The Trading Information Request Form, substantially in the form attached hereto as
19 **Annex 1**, is approved. The Reorganized Debtors are authorized to serve the Trading Information
20 Request Form in accordance with the Securities Claims Information Procedures. Nothing in this
21 Order (or the Exhibits and Annexes thereto) shall be construed to require Subordinated Securities
22 Claimants to produce information duplicative of what the claimants have previously provided.
23 Nothing herein shall be construed to alter the rights of the parties with respect to their burdens of
24 proof in connection with a Subordinated Securities Claim.

25 4. The Securities ADR Procedures attached hereto as **Exhibit A-2**, including without
26 limitation, the Offer Procedures and the Securities Mediation Procedures, are approved and the
27 Reorganized Debtors are authorized to implement the Securities ADR Procedures as set forth
28

1 therein.

2 5. The Abbreviated Mediation Notice and the Standard Mediation Notice, substantially
3 in the forms annexed hereto as **Annex 2** and **Annex 3**, respectively, are approved. The Reorganized
4 Debtors are authorized to send the Abbreviated Mediation and the Standard Mediation Notice in
5 accordance with the Securities ADR Procedures.

6 6. Pursuant to Section III.A.2 and III.B.2 of the Securities ADR Procedures, the
7 Reorganized Debtors shall, upon notice, seek approval from the Court of proposed panels of
8 qualified and experienced mediators for each of the Abbreviated and Standard Mediations. As part
9 of their submission(s), the Reorganized Debtors shall seek from each proposed Mediator and
10 disclose information regarding any current or past work that the proposed Mediator has performed
11 for, or on behalf of, the Reorganized Debtors and other potential conflicts, disclosed by the Mediator
12 to the Reorganized Debtors, that, in the Mediator's view, could create a reasonable inference of bias.
13 Reorganized Debtors shall include for each Mediator a resume or *curriculum vitae* showing the
14 Mediator's college and post-graduate education, and his or her legal and ADR experience. An
15 example can be found on the section of the Court's website for the Bankruptcy Dispute Resolution
16 Program.

17 7. The Securities Omnibus Objection Procedures attached hereto as **Exhibit A-3** are
18 approved, and the Reorganized Debtors are authorized to implement the Securities Omnibus
19 Objection Procedures as set forth therein.

20 8. The Reorganized Debtors may object to the Subordinated Securities Claims on the
21 grounds identified in Bankruptcy Rule 3007(d) as well as on any of the following grounds:

- 22 (a) the Subordinated Securities Claims seek to recover amounts paid to purchase
23 PG&E debt or equity securities where such purchase(s) occurred outside of
the Subject Period as set forth in the Extended Bar Date Order;
- 24 (b) the holder of a Subordinated Securities Claims sold all or part of his or her
25 position(s) before the release of any purported "corrective disclosure(s)";
- 26 (c) the Subordinated Securities Claims constitute Unauthorized Bulk Claims,
27 but only after giving any Bulk Claim filer forty-five (45) days written notice
to provide proof of authorization for such filing; and
- 28 (d) the Subordinated Securities Claims are otherwise objectionable under

1 applicable bankruptcy or non-bankruptcy law, including due to the failure to
2 file timely claims by the Extended Bar Date, and statute of limitations bases.

3 9. The authority granted to the Reorganized Debtors to object in an omnibus objection
4 on the additional grounds set forth in Paragraph 8 above is without prejudice to the right of any
individual Subordinated Securities Claimant to oppose or contest any such objection.

5 10. In the event a Subordinated Securities Claim designated for the Securities ADR
6 Procedures is not resolved through the Offer Procedures or the Securities Mediation Procedures, as
7 applicable, the deadline for the Reorganized Debtors to object to such Subordinated Securities
8 Claim shall be the later of (i) the deadline set forth in Section 7.1 of the Plan, and (ii) sixty (60)
9 days after the termination of such Offer or Securities Mediation Procedures.

10 11. The Securities Claims Procedures shall not and do not apply to the proofs of claim
11 (collectively, the “**Underwriter Proofs of Claim**”) filed by or on behalf of Barclays Capital Inc.,
12 BNP Paribas Securities Corp., Morgan Stanley & Co. LLC, MUFG Securities Americas, Inc., The
13 Williams Capital Group, L.P. (n/k/a Siebert Williams Shank & Co., LLC), Citigroup Global
14 Markets Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Inc. (n/k/a BofA
15 Securities, Inc.), Mizuho Securities USA LLC, Goldman, Sachs & Co., LLC, RBC Capital
16 Markets, LLC, Wells Fargo Securities, LLC, BNY Mellon Capital Markets, LLC, TD Securities
17 (USA) LLC, C.L. King & Associates, Inc., Great Pacific Securities, CIBC World Markets Corp.,
18 SMBC Nikko Securities America, Inc., U.S. Bancorp Investments, Inc., Lebenthal & Co., LLC,
19 Mischler Financial Group, Inc., Blaylock Van, LLC, Samuel A. Ramirez & Company, Inc., and
20 MFR Securities, Inc., in their capacity as underwriters for certain prepetition debt transactions of
the Debtors (collectively, the “**Underwriters**”), arising out of or relating to the Underwriting
21 Agreements.² Nothing in this Order or the Securities Claims Procedures shall in any way be

22
23 ² The “**Underwriting Agreements**” include (i) that certain Underwriting Agreement dated as of
24 February 23, 2016 among Pacific Gas and Electric Company and the representatives party thereto, as
25 representatives of the underwriters named therein, relating to \$600,000,000 aggregate principal
26 amount of 2.95% Senior Notes due March 1, 2026, (ii) that certain Underwriting Agreement dated as
27 of November 28, 2016 among Pacific Gas and Electric Company and the representatives party
thereto, as representatives of the underwriters named therein, relating to \$400,000,000 aggregate
principal amount of 4.00% Senior Notes due December 1, 2046 and \$250,000,000 aggregate
principal amount of Floating Rate Senior Notes due November 30, 2017, and/or (iii) that certain

1 construed or interpreted to impose upon any Underwriter any liability arising from the Reorganized
2 Debtors' actions taken in connection with the Securities Claims Procedures. For the avoidance of
3 doubt, nothing in the Securities Claims Procedures shall, or be deemed to, disallow, constitute an
4 objection to the Underwriter Proofs of Claim or shall, or be deemed to, prejudice the rights, claims
5 and defenses of the Reorganized Debtors or of the Underwriters with respect to the Underwriter
6 Proofs of Claim.

7 12. Notice of the Securities Claims Procedures Motion as provided therein shall be
8 deemed good and sufficient and the requirements of the Bankruptcy Local Rules are satisfied by
9 such notice.

10 13. The Debtors are authorized to take all necessary actions to effect the relief granted
11 pursuant to this Order.

12 14. This Court shall retain jurisdiction to hear and determine all matters arising from or
13 related to the implementation, interpretation, or enforcement of this Order.

** END OF ORDER **

Underwriting Agreement dated as of March 7, 2017 among Pacific Gas and Electric Company and the representatives party thereto, as representatives of the underwriters named therein, relating to \$400,000,000 aggregate principal amount of 3.30% Senior Notes due March 15, 2027 and \$200,000,000 aggregate principal amount of 4.00% Senior Notes due December 1, 2046.